

ANNUAL REPORT

2003-2004



GLASCOAT

SWISS GLASCOAT EQUIPMENTS LIMITED

BOARD OF DIRECTORS	:	Kanubhai K. Patel <i>Chairman</i> Sudarshan Amin <i>Managing Director</i> Shashikant Patel Paresh Shah Ambalal Patel Bhanubhai Patel
STATUTARY AUDITORS	:	Darji and Associates Chartered Accountants S-403, Kavita Shopping Centre Opp. G.P.O. ANAND.
LEGAL ADVISOR	:	A. Mohey Mayavilla, Mahadev Area, Vallabh Vidyanagar.
COMPANY LAW COSULTANT	:	Darsha Rajesh Kikani Vadodara
BANKERS	:	Oriental Bank of Commerce UTI Bank Ltd.
REGISTERED OFFICE & WORKS	:	H-106, G.I.D.C., Vitthal Udyognagar - 388 121. Gujarat.

SWISS GLASCOAT EQUIPMENTS LIMITED**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 13th Annual Genreal Meeting of the members of SWISS GLASCOAT EQUIPMENTS LIMITED will be held on 18th September, 2004 at the Registered Office of the Company at H-106, G.I.D.C. Estate, Vitthal Udyognagar 388 121 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider adopt the audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares of the company for the year ended 31st March, 2004.
3. To appoint Director in place of Shri Kanubhai Patel who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and pass the following Resolution as an Ordinary Resolution.
 "RESOLVED THAT Shri Bhanubhai Patel who was appointed as Additional Director on 31/01/2004 and holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose his candidature to the office of the Director, be and is hereby appointed as a Director of the Company."

Date : 31/07/2004

By order of the Board

Place : H-106, GIDC Estate,
Vitthal Udyognagar - 388 121.

SWISS GLASCOAT EQUIPMENTS LIMITED

Sudarshan Amin
Managing Director

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Proxies, in order to be effective, should be duly stamped, completed signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. As required by the section 173(2) of the companies Act, 1956 Explanatory Statement for item no. 5 of the notice is annexed hereto.
4. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the company will remain closed from 10/09/2004 to 17/09/2004 (both days inclusive)
5. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
6. Members are requested to intimate, if shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account and to notify immediately the registered address, to the Company.
7. Members are requested to notify change in address, if any, immediately to the company at its registered office quoting thier folio numbers.
8. MCS Limited : Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Baroda are our Registrar and Share Transfer Agents. Equity Shares of the Company can now be traded in dematerialised form only. Share holders are requested to opt for the demat facility now available for safe and secure transfer.

SWISS GLASCOAT EQUIPMENTS LIMITED

EXPLANATORY STATEMENT

As required by section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out of all material facts regarding to the business mentioned under item No. 5 of the accompanying notice dated 31/07/2004.

ITEM NO. 5

Shri Bhanubhai Patel was appointed on the Board of Directors on 31/01/2004. He holds Office till ensuing Annual General Meeting. The Company had received letter from a member as required under section 257 of the Companies Act 1956, along with necessary fees for proposing the candidature of Shri Bhanubhai Patel as a Director of the Company.

Shri Bhanubhai Patel is well known professional and he is consultant in Marigold Paints Pvt. Ltd, 20 Microns Pvt. Ltd. and Chemital Rai Ltd.

No other directors except Shri Bhanubhai Patel is interested in the resolution.

Your Directors commend your approval.

Date : 31/07/2004

Place : H-106, GIDC Estate,
Vitthal Udyognagar - 388 121.

By order of the Board

SWISS GLASCOAT EQUIPMENTS LIMITED

Sudarshan Amin
Managing Director



SWISS GLASCOAT EQUIPMENTS LIMITED**DIRECTOR'S REPORT**

To,

The Members,

Your Directors have great pleasure in presenting the 13th Annual Report on the business and operations of your Company for the financial year ended 31st March, 2004.

		(Rs. in Lacs)	
SUMMARY OF FINANCIAL RESULTS :		2003-2004	2002-2003
A.	INCOME FROM OPERATIONS	2434.37	1737.08
B.	GROSS PROFIT	234.47	161.05
C.	LESS : DEPRECIATION	49.30	45.59
D.	PROFIT BEFORE TAX	185.17	115.46
E.	LESS : PROVISION FOR TAX	51.03	35.55
F.	PROFIT AFTER TAX	134.14	79.91
G.	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	40.63	55.84
H.	BALANCE AVAILABLE FOR APPROPRIATION	174.77	135.75
APPROPRIATION			
	PROPOSED DIVIDEND	50.00	40.00
	TAX ON PROPOSED DIVIDEND	6.41	5.13
I.	GENERAL RESERVE FUND	50.00	50.00
J.	NET PROFIT CARRIED FORWARD	68.36	40.62

PERFORMANCE :

Despite keen competition in all the areas of the Company's activities. The Company has produced impressive results during the year ended 31st March, 2004. The sales has increased by more than 40%.

DIVIDEND :

Your Directors are pleased to recommend a dividend @ 10 % on its paid up equity capital of Rs. 500.00 lacs for the year 2003-2004 resulting in payment of Rs. 50.00 lacs.

The dividend pay out for the year under review has been formulated in accordance with the Company's policy of striving to pay stable dividend linked to long term performance, keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum. Your Directors believe that this would increase shareholders value and eventually lead to a higher return threshold.

OPERATION :

The sales turnover of the Company has increased by more than 40%. Increase in turnover is due to various efforts made by the company to reduce costs and to improve efficiency in operations. The Company's order booking for the current year is continued to be excellent.

DIRECTORS :

Mr. Kanubhai Patel retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting. You are requested to re-appoint him.

Shri Bhanubhai Patel, well known professional and consultant of the city, was appointed on Board of Directors of the Company on 31/01/2004. He holds office till this Annual General Meeting. You are requested to reappoint him.

SWISS GLASCOAT EQUIPMENTS LIMITED

FIXED DEPOSITS :

The Company has not accepted Fixed Deposits from Public as envisaged under Section 58 A and 58 B of the Companies Act, 1956, read with the Companies (Acceptance of Deposits Rules, 1975).

AUDITORS :

M/s. Darji and Associates, Chartered Accountants, Anand. Statutory Auditors of the Company, are retiring at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors.

CORPORATE GOVERNANCE :

A separate section on corporate Governance is included in the Annual Report & the certificate from the company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock exchanges is annexed there to.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars regarding the conservation of energy, technological absorption and foreign exchange earnings and outgo as envisaged by Sec. 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors Rules 1988) enclosed in annexure 'A' to the Director's Reports.

PARTICULARS OF EMPLOYEES :

The particulars as envisaged by Section 217 (2-A) read with the Companies (particulars of Employees), Rules 1975 need not be given as no employee is covered there under.

Your Directors would like to place on record their appreciation of the contribution made by the employees at all levels. Employees continue to remain our major assets, in our continuing endeavors in the pursuit for excellence.

DIRECTORS RESPONSIBILITY STATEMENT :

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that :

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2004 and of the profit of the company for the year ended on that date.
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) We have prepared the annual accounts on going concern basis.

This is a step in right direction, steering the company towards global accounting practices.

ACKNOWLEDGEMENT :

The Board of Directors are pleased to place on record their sense of gratitude for the continued financial support and co-operation received from banks, Government authorities, Customers, Vendors and other associates.

For and on behalf of the Board

SWISS GLASCOAT EQUIPMENTS LIMITED

Date : 31/07/04

Place : Vitthal Udyognagar

Sudarshan Amin
Managing Director

Ambalal Patel
Director

SWISS GLASCOAT EQUIPMENTS LIMITED**ANNEXURE TO DIRECTOR'S REPORT**

INFORMATION AS PER SECTION 217 (1) (E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31-03-2004.

CONSERVATION OF ENERGY :

Company is aware of the importance of saving energy consumption at all levels and has made endeavors to conserve energy wherever possible.

TOTAL ELECTRIC CONSUMPTION :

Units	:	Units	3491459
Rupees	:	Rs.	16613304
Rate per unit	:	Rs.	4.76
Total Fuel Consumption of Oil			
Gas and Lubricants	:	Rs.	4022006

FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) The company exported its product during the year.
- b) Total Foreign Exchange used and earned :
- | | | | |
|----------------------------------|---|-----------------|------------|
| 1) Total foreign exchange used | : | Import of goods | Rs. 777079 |
| | | Travelling | Rs. 276268 |
| 2) Total foreign exchange earned | : | | Rs. 502042 |

On behalf of the Board of Directors,

Date : 31/07/04
Place : Vitthal Udyognagar

Sudarshan Amin
Managing Director

Ambalal Patel
Director

SWISS GLASCOAT EQUIPMENTS LIMITED**CORPORATE GOVERNANCE REPORT**

1. Company's Philosophy on Corporate Governance

The company has established good practices in Corporate Governance which is implemented by a professional Board of Directors. Corporate Governance has attained paramount importance for ensuring fairness, transparency, accountability and responsibility to all stakeholders. Company has proactively institutionalized the best practices in respect of good corporate governance, as a means of effective control and enhancement of stakeholders value.

2. Board of Directors

The management of Company is entrusted to the Managing Director. The Board of Directors monitors the performance of the company and its management. The Board has 6 Directors, of whom 2 are wholetime Directors, Mr. S.P.Amin, Managing Director (M.E.) and Mr. Ambalal Patel, Technical Director (M.Sc.). The board has non-executive Chairman Mr. Kanubhai K.Patel (Industrialist), Mr. Paresh Shah (B.Com) who guides company's marketing activities, Mr. Shashikant Patel (B.A.) Industrialist and Mr. Bhanubhai Patel, who is a well known consultant for Paint Industries in this region.

The Board functions either as a full Board or through Committees. The Board of Directors and its Committees meet at regular intervals. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues.

The Board has constituted two committees, viz. The Audit Committee and the Share Transfer Committee. The names of the Directors constituting these Committees are given below :

AUDIT COMMITTEE

- 1. KANUBHAI PATEL**
- 2. SHASHIKANT PATEL**
- 3. PARESH SHAH**

SHARE TRANSFER COMMITTEE

- 1. PARESH SHAH**
- 2. AMBALAL PATEL**

Four meetings of the Board of Directors were held during the year. They were held on June 28, July 26, October 18, 2003 and on January 31 in 2004.

The company has not entered into any materially significant transactions with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

Details of other directorship of the directors and their attendance at the Board/Committee meetings and Annual General meeting are given on the following page Table 1:

SWISS GLASCOAT EQUIPMENTS LIMITED**A. The constitution of the Board during the course of the year ended 31-03-2004.**

Directors	Total number of membership / Chairmanship of committee held (other than in private companies as on 31-03-2004)	No. of Directorship held (excluding alternate Director-ship and director-ship in private companies) as on 31-03-2004	No. of Board Meetings attended	Attendance at last Annual General Meeting
1. Kanubhai Patel	-	1	2	YES
2. Sudarshan Amin	-	1	4	YES
3. Shashikant Patel	-	2	4	YES
4. Paresh Shah	-	1	4	YES
5. Ambalal Patel	-	1	3	YES
6. Bhanubhai Patel	-	1	1	NO

The Name of members of Company's Board of Directors, their attendance at Board meetings and the number of their other directorships are set out below.

Name of Directors	Board Meetings attended during the year	Attendance at last AGM (20/09/03)	Number of Directorships	
			Indian Co.'s	Other Co.'s
1. Kanubhai Patel	2	YES	-	-
2. Sudarshan Amin	4	YES	-	-
3. Shashikant Patel	4	YES	1	-
4. Paresh Shah	4	YES	-	-
5. Ambalal Patel	3	YES	-	-
6. Bhanubhai Patel	1	NO	-	-

3. Audit Committee

The Audit Committee provides directions to the audit function in the Company and monitors the quality of internal audit and management audit. The responsibility of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment / removal of external auditors and fixing their remuneration, reviewing the annual financial statements before submission to the Board reviewing adequacy of internal control systems and adequacy, structure and staffing of the internal audit function, reviewing findings of internal investigations, discussing the scope of audit with external auditors.

The Audit Committee was constituted by the Board of Directors at its Meetings held on January 27, 2001 and comprises three non-executive Directors. Four meetings of the Audit Committee were held during the year. The composition of the Audit Committee is given below.